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REVIEW OF THE EFFICIENCY OF THE ADMINISTRATIVE AND FINANCIAL FUNCTIONING OF THE UNITED NATIONS

Possible new approach to programme planning

Report of the Secretary-General

I. BACKGROUND

1. By its resolution 47/214 of 23 December 1992, the General Assembly, inter alia, reaffirmed that the medium-term plan is the principal policy directive of the United Nations and shall serve as the framework for the formulation of the biennial programme budgets and endorsed the recommendations of the Committee for Programme and Coordination (CPC) at its thirty-second session 1/ concerning the submission of a prototype of a new format of the medium-term plan through CPC and the Advisory Committee on Administrative and Budgetary Questions to the Assembly at its forty-eighth session.
2. In its report, CPC had recommended that a prototype of a possible new format of the medium-term plan should be presented to it at its thirty-third session. The prototype should take into account the relevant conclusions of the seminar on the prototype of a new budget document and should address, in particular, issues concerning the manageability of the drafting and revision process, including the questions of preparation and submission of documentation and the review of programme planning documents by subsidiary intergovernmental machinery.
3. Under the same resolution, the Assembly also endorsed the recommendation of CPC on the convening by the Secretary-General of an ad hoc technical seminar of experts to assist the Secretariat in drafting the prototype of the new format of the medium-term plan. That Seminar was held at Mohonk (New York) from 22 to 28 April 1993. It had 23 participants, all of whom were either current or past members of CPC and ACABQ, including the Chairman of ACABQ and the Chairmen of

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the thirty-second and thirty-third sessions of CPC. It was attended by the Under-Secretary-General for Administration and Management and serviced by the Programme Planning and Budget Division. The Controller served as Moderator of the Seminar.

II. EXPERIENCE OF THE CURRENT SYSTEM OF PLANNING, PROGRAMMING, BUDGETING, MONITORING AND EVALUATION

4. The planning, programming, budgeting, monitoring and evaluation system was established by decisions of the General Assembly. The Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation, which govern the system, were established by General Assembly resolutions 37/234 of 21 December 1982, 38/227 A and B of 20 November 1983, 41/213 of 19 December 1986 and 42/215 of 21 December 1987.

5. As currently conceived, the medium-term plan is supposed to draw together the multiplicity of mandates adopted by Member States for guiding the work of the Organization and to distil from them a coherent set of programmes with concrete objectives and strategies over a period of six years. The current medium-term plan spans the years 1992 to 1997 and is revised, as appropriate, every two years.

6. The approved medium-term plan provides the programmatic structure and framework for the biennial programme budget. Implementation of the programmed activities in the budget is monitored through the programme performance report and the effectiveness, relevance, efficiency and impact of programmes are assessed through evaluation at different levels, including selected in-depth evaluations of programmes.

7. The effectiveness of this system in achieving the objectives of the Organization has been called increasingly into question, both within the Secretariat and among Member States. This questioning has culminated in section VIII of General Assembly resolution 46/185 B of 20 December 1991, concerning the submission of a prototype of a new budget format and in General Assembly resolution 47/214, concerning the submission of a prototype of a new format of the medium-term plan.

8. In their review of the main features of the Regulations and Rules as they related to the medium-term plan, the Seminar participants recognized a number of shortcomings in the current system of programme planning, budgeting, monitoring and evaluation. Among the shortcomings:

(a) The medium-term plan tends to be a bottom-up aggregation of sectoral plans and strategies, rather than providing through a substantive introduction an over-arching statement of purpose and direction for the Organization within a specific time-frame;

(b) Little priority is given to formulation of the plan by programme managers or by many Member States. Once adopted, the plan is little used and has little real impact on the work of the Organization;

(c) The link between the plan and the programme budget is often fairly formalistic and there is frequently a degree of repetition between the two texts;

(d) Monitoring provides a tool for identifying shortfalls in implementation but needs considerable refinement if it is to be effective;

(e) The objectives in the medium-term plan were not precise enough to be used as standards against which to measure the impact of United Nations programmes, as envisaged in regulation 6.1;

(f) Much more time is spent on reviewing plans and budgets than on implementation and evaluation.

9. Despite these shortcomings, the current system is seen to impose a discipline on programme managers and to provide a process for consultation with and among Member States. The idea of abandoning the planning and programming concepts and components of the system, in the belief that a more orderly and efficient use of the resources of the Organization could be achieved through just an annual or biennial budget, is not therefore a viable alternative. A process to elaborate and adopt policies, a framework to organize and present the programmes and activities as justification for resource requirements, are necessary to preserve and enhance the democratic character of the Organization as well as the cohesiveness and effectiveness of its Secretariat.

10. In reviewing and modifying planning, programming and budgeting concepts and practices, it is useful to recall a few basic facts:

(a) Contrary to the illusions that prevailed during times of technocratic euphoria, it is neither easy to predict the future course of world events, nor is it prudent to believe that the evolution of societies can be significantly altered by plans and voluntarist policies. Yet, at the same time, there is merit in restating the capacity of mankind to influence its future. Planning in the United Nations could be based on the conviction that the betterment of the human condition is achievable through the recognition that there is a collective and common good and that universal values must be promoted;

(b) The Organization, while being a forum for the discussion of world problems, also has an operational role. It makes a valuable contribution through the fulfilment of its various functions, ranging from the elaboration of legal instruments to the settlement of disputes and the implementation of specific development projects. To ensure the coherence of these various facets of the life of the Organization, including through the setting of priorities and the politically visible and orderly allocation of resources, a form of planning and programming must be in place;

(c) The problems that beset the international community at the end of the century call not only for prompt action by all concerned, from Governments to international organizations and non-governmental organizations, but also for concerted planning. The great ideological and political storms which mark our time call for a United Nations with a sense of purpose and a planned orientation of its action. To adopt a long-term perspective is essentially to go beyond

appearances and to reach a level of understanding which is immune to superficial explanations and short-term interests.

11. The present report reflects the outcome of the discussions at the Seminar on the medium-term plan and, to the extent possible, its linkage with the programme budgeting component of the system. Since the Seminar participants agreed that the current planning system needed reform to make it effective, it was considered necessary to obtain an agreement by Member States on the principles of this reform before prototypes could be developed for the new documents that would result therefrom. What follows are proposals by the Secretariat, drawing on the ideas exchanged with the participants at the Seminar.

III. PROPOSALS FOR REFORM

A. Policy-level perspective

12. The current medium-term plan document does not function well as a policy-level perspective. The Introduction is buried in it; it is difficult to deal with the programme and subprogramme narratives at a policy level. In addition, peace-keeping activities have so far been largely excluded from the medium-term plan; this is an important lacuna that needs to be corrected.

13. It is therefore proposed to replace the current Introduction to the plan by a policy-level "Perspective" on the role and direction of the work of the United Nations. The main purpose of this "Perspective" document would be to provide a shared perception of the challenges and problems that would need to be addressed by the international community, the role of the Organization in this undertaking and the commitment of the Member States to work together and seek solutions in the realization of the objectives and purposes of the Charter of the United Nations.

14. The "Perspective" should not be an executive summary, which is currently the case of the Introduction to the medium-term plan, but should offer an overview of broad trends and persistent problems, new challenges which are likely to emerge in the light of those trends, and the solutions which the United Nations (Member States and Secretariat) can bring to bear, in view of the uniqueness of the Organization. The "Perspective" should take advantage of the role of the United Nations as a unique observer of world affairs.

15. Taking into account existing mandates, the "Perspective" should be forward-looking and should inspire Member States to seek solutions to the problems and challenges ahead; it should contain broad directions for United Nations action, taking into account the distribution of competence in the United Nations system. In view of its nature and purpose, the "Perspective" should not contain indications of resources or priorities or refer too specifically to sectoral strategies. It should be clear and concise and presented in a style and format similar to that of the Secretary-General's annual report on the work of the Organization. In order to provide a framework for programme planning, a list of major programmes with some programmatic structure could be annexed to the "Perspective" document.

16. The "Perspective" should be prepared by the Secretary-General and submitted to the General Assembly for adoption. In preparing the document, the Secretary-General would consult Member States and other entities of the United Nations system. The preparation of the "Perspective" should involve the participation of programme managers at the highest level within the Secretariat. The Office of the Secretary-General should play a leading role in the drafting of the document.

17. As regards the procedure for the review of the "Perspective" by the General Assembly, the document prepared by the Secretary-General could be reviewed directly by the plenary of the General Assembly through a working group. This procedure would ensure that the document would receive the attention and consideration at the high level called for by its political nature.

18. An alternative would be to have the document submitted first to relevant reviewing bodies such as the Commission on Sustainable Development, then to CPC, the Economic and Social Council, and the Main Committees of the General Assembly which would, in the light of recommendations of those reviewing bodies, consider and adopt the document in the form of, for example, a solemn declaration.

19. The starting date of the first "Perspective" document should be such as to make it possible to have the next programme of work prepared under its inspiration. In order to give the necessary authority to the "Perspective", timing its consideration to coincide with the celebration of the fiftieth anniversary of the United Nations in 1995 might be appropriate.

20. A number of time-frames have been suggested for the "Perspective" document but the most practical appears to be that it should be for a duration of eight or ten years. Once adopted, the "Perspective" should be amended only if pressing needs of an unforeseeable nature arise during the period covered.

B. Medium-term programme of work

21. The current medium-term plan is used to provide a programmatic structure for the biennial budget and as a general reference to ensure that proposed activities are in accordance with legislative intent. However, there has been a failure within the Secretariat to internalize planning as a management tool. By and large, the planning process within the Secretariat has been treated as paperwork, a filling-in of forms, and not an opportunity to formulate understandings of the future and commitments for action. Programme managers rarely, if ever, refer to the plan once it has been adopted. They do not see the impact of the plan on resource allocation.

22. Moreover, there are technical difficulties in drafting the plan. Different types of activities require different planning methodologies; the use of the same approach and format for both substantive activities and support services is not appropriate.

23. It is necessary to have an intellectual basis for decisions on allocation of resources. Those decisions, in order to be rational, require an analysis guided by a perspective of more than one or two years in order to avoid the tyranny of the short-term view dictated by budgetary requirements.

24. An intermediate level document between the "Perspective" and the budget is therefore needed but the duplication now evident between the current medium-term plan and the programme budget should be avoided. In view of the difficulties of planning realistically over a long term, the new planning document should set out the medium-term programme of work of the United Nations for a period of four years, instead of the current six-year period.

25. The medium-term programme of work should be consistent with the "Perspective" and be based on the approved mandates of the Organization in the various sectors covered. The specialized and regional intergovernmental bodies should play a central role in the preparation of this document.

26. The current approach to planning was developed for economic and social activities. Different types of activities should be planned in ways more suited to their nature. Planning for servicing functions, including common support services, should be of a managerial nature and directed at quantifiable targets with strategies for addressing specific problems rather than a description of continuing activities. For example, the introduction of new technology for telecommunications can and should be planned more precisely. Extrabudgetary activities should also be included in the plan.

27. As regards the programme narratives, presentation should be at the level of the work of an organizational unit such as the division which usually corresponds, in the current structure of the medium-term plan, to the "programme" level. Priority setting should, however, be in terms of groups of activities at a level of programmatic detail below the major programme and programme.

28. The medium-term programme of work could either be adopted for a fixed period, as with the current medium-term plan, with an opportunity for it to be revised after every two years, or it could "roll", with its duration extended every two years by two years. This latter approach would entail, for example, rolling a plan for 1996-1999 into a plan for 1998-2001 after two years. This approach would have the advantage of providing an opportunity for a regular review of the programme of work and ensuring that the programme budget is always based on a detailed approved plan.

29. To provide a linkage with the budget outline and the programme budget, it would be necessary to divide the medium-term programme of work into two time-frames, each consisting of a two-year period. The narratives for each two-year period would contain elements from both the current plan and budget texts:

(a) Objectives to be accomplished by the end of each of the first two-year period;

(b) Legislative authority;

(c) Description of activities to be undertaken in order to achieve the objectives for each of the two-year period, but less detailed for the second two-year period.

30. The medium-term programme of work would thus be prepared, revised or extended every two years and reviewed at the same time as the budget outline. This would mean, for example, that following the adoption of the "Perspective" in 1995, a medium-term programme of work for 1998-2001 would be submitted in 1996 at the same time as the outline for the 1998-1999 programme budget. The activities proposed for the first two years described in the programme of work would provide the basis for budgetary requirements proposed in the budget outline for the 1998-1999 programme budget. This would mean that financial decisions would be taken in conjunction with medium-term programming, which is now not the case.

C. Programme budget

31. With the new approach to medium-term programme planning described above, one could maintain the current system of biennial programme budgets, with the listing of activities and outputs, or one could consider presenting annual budgets.

32. Were one to consider annual programme budgeting, it would still be necessary to do so within the framework of a biennium since it would still be linked to the programme budget outline and the medium-term programme of work. An annual budget for the first year of a biennium would then also include indicative estimates of financial requirements for the following year, within the level of the budget outline approved by the General Assembly.

D. Performance reporting and evaluation

33. In the current system of planning, programming and budgeting, the effort put into the production and consideration of documents, such as plans and budgets, that are projections into the future, is much greater than that devoted to retrospective documents, such as performance and evaluation reports. This imbalance needs to be corrected.

IV. CONCLUSIONS

34. On the basis of the above proposals, the planning, budgeting, monitoring and evaluation cycle would be modified as presented in annex I below.

35. The General Assembly may wish to make recommendations on the following:

- (a) The "Perspective" document; nature of the document and period to be covered;
- (b) The medium-term programme of work; level of detail; relationship with the budget outline; and relationship with the programme budget;
- (c) Biennial or annual programme budgets; relationship with the medium-term programme of work; and relationship with the budget outline.

36. Subject to the General Assembly's decisions on the above, a prototype of a new format for a medium-term programme of work would be prepared for consideration by the Assembly at its forty-ninth session.

Notes

1/ Official Records of the General Assembly, Forty-seventh Session, Supplement No. 16 (A/47/16 (Part II)), para. 21.

Annex

Timetable for programme planning, budgeting,
monitoring and evaluation

A. Current system (medium-term plan for the period 1992-1997)

1. 1993

- (a) Decision by the General Assembly on a new approach to programme planning, on the basis of recommendations by CPC and Advisory Committee on Administrative and Budgetary Questions;
- (b) Approval of the programme budget for 1994-1995;
- (c) Second budget performance report for 1992-1993;
- (d) In-depth evaluation of the Office of the United Nations High Commissioner for Refugees (UNHCR) (submitted to CPC and subsequently to the Executive Committee of UNHCR); other reports on the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), human rights and human settlements.

2. 1994

- (a) Budget outline for the programme budget for 1996-1997;
- (b) Revisions to the medium-term plan for 1992-1997;
- (c) Decision by the General Assembly on a prototype of a possible new format of the medium-term plan;
- (d) Programme performance report (monitoring report) on the programme budget for 1992-1993;
- (e) First budget performance report for 1994-1995;
- (f) In-depth evaluation on social development (submitted to CPC and subsequently to the Commission on Social Development); other reports on peace-keeping; Africa: critical economic situation, recovery and development; development issues and policies/Economic Commission for Africa (ECA); and the biennial report on evaluation findings (CPC and General Assembly).

3. 1995

- (a) Approval of the programme budget for 1996-1997;
- (b) Second budget performance report for 1994-1995;

(c) In-depth evaluation of peace-keeping activities (submitted to CPC only and other intergovernmental bodies if CPC so decides); reports on other topics as decided by CPC;

(d) Adoption of "Perspective" 1996-2003 or 1998-2005.

B. Possible new system (assuming an eight-year "Perspective", a rolling four-year medium-term programme of work and two-year budget outlines and programme budgets)

1. 1994

(a) Decision by General Assembly on prototype of possible new format of medium-term plan;

(b) Budget outline for the programme budget for 1996-1997;

(c) Programme performance report (monitoring report) on the programme budget for 1992-1993;

(d) First budget performance report for 1994-1995;

(e) In-depth evaluation on social development (submitted to CPC and subsequently to the Commission on Social Development); other reports on peace-keeping; Africa: critical economic situation, recovery and development; development Issues and policies/ECA; and the biennial report on evaluation findings (CPC and General Assembly).

2. 1995

(a) Adoption of "Perspective" 1998-2005;

(b) Approval of the programme budget for 1996-1997;

(c) Final programme budget performance report for 1994-1995;

(d) In-depth evaluation of peace-keeping activities (submitted to CPC only and other intergovernmental bodies if CPC so decides); reports on other topics as decided by CPC.

3. 1996

(a) Approval of new medium-term programme of work for 1998-2001;

(b) Budget outline for the programme budget for 1998-1999;

(c) Programme performance report (monitoring report) on the programme budget for 1994-1995;

(d) First budget performance report for 1996-1997;

(e) In-depth evaluation of Africa: critical economic situation, recovery and development (submitted to CPC and other intergovernmental bodies if CPC so decides); reports on other topics as decided by CPC.

4. 1997

- (a) Approval of programme budget for 1998-1999;
- (b) Final budget performance report for 1996-1997;
- (c) Evaluation reports on topics to be decided by CPC.

5. 1998

- (a) Approval of the rolling medium-term programme of work for 2000-2003;
- (b) Budget outline for 2000-2001;
- (c) First budget performance report for 1998;
- (d) Programme performance report (monitoring report) on programme budget for 1996-1997;
- (e) Evaluation reports on topics to be decided by CPC; biennial report on evaluation findings (CPC and General Assembly).

6. 1999

- (a) Approval of the programme budget for 2000-2001;
- (b) Final budget performance report for 1998-1999;
- (c) Evaluation reports on topics to be decided by CPC.

7. 2000

- (a) Approval of rolling medium-term programme of work for 2002-2005;
- (b) Budget outline for 2002-2003;
- (c) First budget performance report for 2000-2001;
- (d) Programme performance report (monitoring report) on programme budget for 1998-1999;
- (e) Evaluation reports on topics to be decided by CPC; biennial report on evaluation findings (CPC and General Assembly).